

EXHIBIT C-2

Coordonnées Géographiques		Coordonnées U.T.M.	
Ellipsoïde de Clarke 1880		(Clarke 1880)	
Fusée 32-Hg: 9°E.			
Ints	Longitude EAST : Latitude SOUTH:	EAST	NORTH
Point located at 38 km from the low-tide mark on the straight line defined in paragraph 1.g. above.			
	10°58'14"200	4°14'34"360	712.730
2	11°02'31"666	4°18'29"055	726.652
3	11°05'15"851	4°15'11"228	731.714
4	11°09'50"804	4°15'10"466	740.214
5	11°09'51"271	4°17'56"970	740.214
6	11°15'05"727	4°17'56"058	749.914
7	11°15'05"241	4°15'09"563	749.914
8	11°23'36"921	4°15'08"018	765.700
9	11°27'26"845	4°18'20"070	772.775
10	11°27'28"782	4°28'12"323	772.775
11	11°16'15"217	4°28'14"496	752.000
12	11°16'15"066	4°27'25"678	752.000
13	11°15'10"219	4°27'25"878	750.000
14	11°15'09"972	4°26'04"513	750.000
15	11°14'21"337	4°26'04"661	748.500
16	11°14'21"191	4°25'15"841	748.500
17	11°10'40"712	4°25'16"499	741.700
18	11°09'55"210	4°24'38"710	740.000
19	11°09'55"600	4°26'54"240	740.000
20	11°07'32"384	4°26'54"636	736.500
21	11°07'53"139	4°31'15"025	736.500
22	11°04'54"774	4°31'15"544	731.000
23	11°04'54"312	4°28'32"796	731.000
24	11°00'46"128	4°28'33"491	723.346,900
Intersection of Longitude East 11°00'46"944 meridian and straight line J-K of the original "Pointe Noire Grand Ponds" permit, as defined in Decree No. 68-270/M CAEIM of October 17, 1968.			
Point Located 65 km from the low-tide mark on the straight line defined in paragraph 1.g. above.			

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ARTICLE 2

The minimum work program to be performed on the exploration permit described in Article 1 above is defined in Exhibit 2 hereto.

ARTICLE 3

Hydro-Congo is hereby authorized to become a party in association with the companies executing a convention with the People's Republic of the Congo, for the implementation of the exploration permit described in Article 1 above as well as any exploitation and transportation permits which may derive therefrom.

ARTICLE 4

The exploration permit described in Article 1 above may be renewed for a period of three (3) years in accordance with the conditions set forth in the Mining Code ("Code Minier").

The minimum work program to be conducted within the initial period and the renewal period as well as the areas to be relinquished on the exploration permit described in Article 1 above, are set forth in Exhibit 2 hereto.

ARTICLE 5

In the event a discovery of an exploitable reservoir is made on the area of the exploration permit described in Article 1 above, Hydro-Congo shall request an exploitation permit for hydrocarbons, which shall be granted as a matter of law.

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Each hydrocarbons exploitation permit is valid for thirty (30) years. The hydrocarbons exploitation permit may not be renewed.

All matters not defined by the present Decree regarding the hydrocarbons exploitation permit derived from the exploration permit described in Article 1 above are governed by the provision of the Mining Code relating to concessions.

ARTICLE 6

The sub-contractors hired by Hydro-Congo or by any company associated with Hydro-Congo shall comply with the Mining Code.

ARTICLE 7

The Minister of Mines and Energy is hereby entrusted with the implementation hereof which shall be registered, communicated wherever necessary and published in the Official Journal of the People's Republic of the Congo.

Done in Brazzaville on May 15, 1977.

President of the Central
Committee of the Parti Congolais du
Peuple, President of the Republic,
President of the Council of
Ministers

Prime Minister,
of the Government

Deputy Prime Minister

Deputy Prime Minister

(s) Denis Sassou-Nguesso

Colonel Denis Sassou-Nguesso

By the Minister of Mines

(s) B. B. B. B.

Minister of Mines

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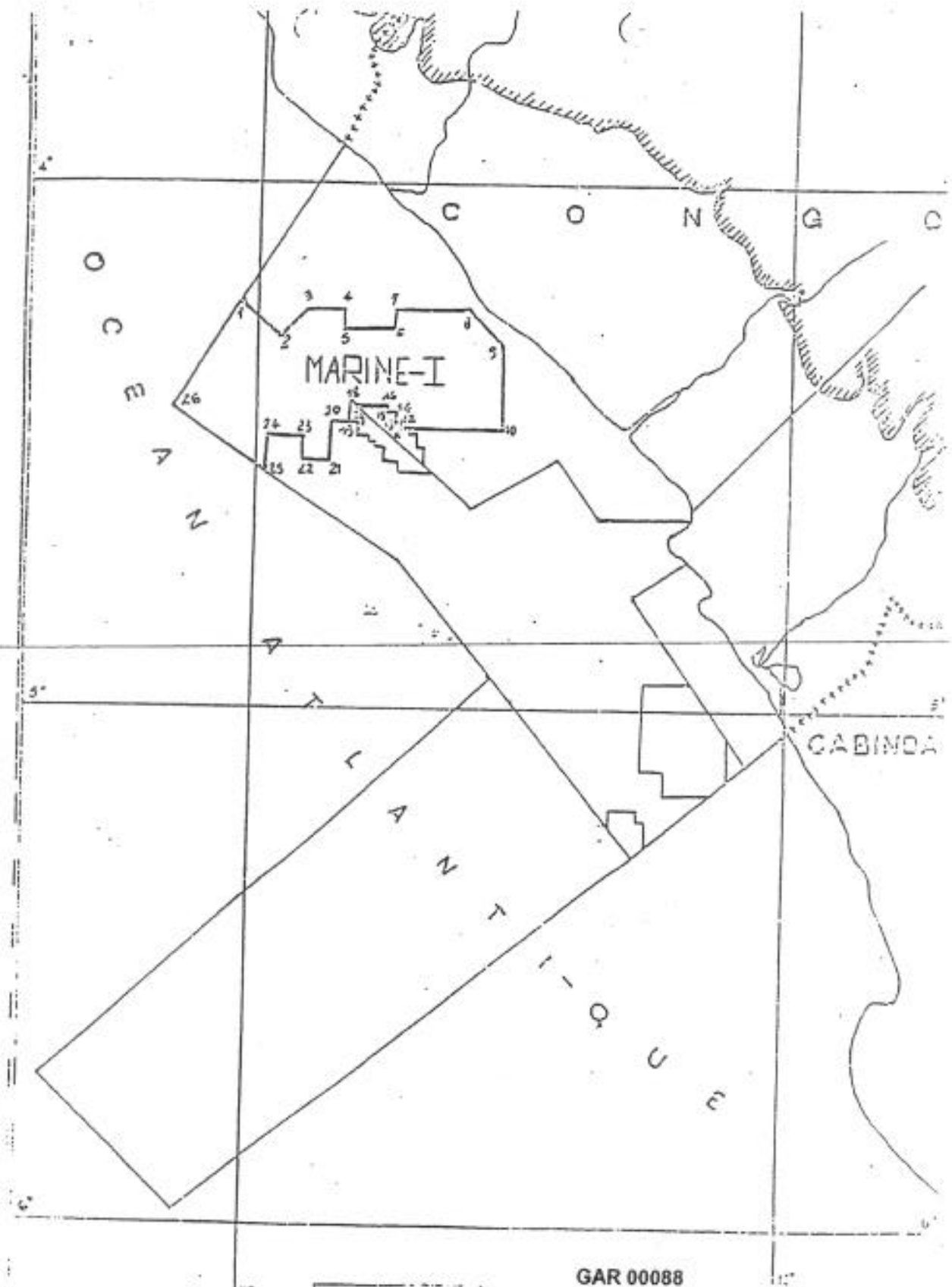
EXHIBIT 1

MAP OF THE "MARINE 1" PERMIT

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ANNEXE 2

I - Minimum Work Program

A. Initial Period

The term of the first period shall be five (5) years.

Phase I

The term of Phase I shall be three (3) years and shall consist of the following:

(a) ¹⁰One thousand (1000) kilometers of Marine seismic.

(b) Within six (6) months after receipt of the processed data commit to drill a pre-salt test well to be commenced within twenty-four (24) months from the date of signing the Convention with the State, but not later than thirty (30) months from such date, depending upon availability of suitable equipment at competitive rates, or relinquish the entire permit.

(c) The permit holder shall have the option to relinquish the permit at the later of the following two dates: (i) ninety (90) days after completion of the exploration well, or (ii) ninety (90) days before the end of Phase I, or proceed into Phase II.

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Phase II

The term of Phase II shall be two (2) years.

During the course of Phase II, the permit holder shall drill two (2) pre-salt exploration wells. The permit holder shall have the option to relinquish the permit upon completion of each well.

B. Renewal period

The exploration permit shall be renewed upon request from the permit holder for a three (3) year renewal period, during the course of which at least three (3) wells will be drilled. However, the permit holder shall have the right to relinquish the permit upon completion of each well.

C. For purposes of paragraphs A and B above, the obligation to drill a well shall be deemed satisfied by the permit holder when the objective depth of formation is reached, or expenses actually incurred for such well shall have reached an amount equal to one hundred and fifty percent (150 %) of the estimated cost of such well, as budgeted by the Operating Committee of the Joint Venture to be formed by the permit holder of the Convention with the People's Republic of Congo described in Article 3 of the Decree.

II - Relinquishments

The permit holder shall relinquish the original area as follows:

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(a) An area equal to twenty-five percent (25%) of the original contract area shall be relinquished at the end of Phase I of the initial period;

(b) Another area equal to twenty-five percent (25%) of the original contract area shall be relinquished at the end of Phase II of the initial period; and

(c) The remainder of the original contract area shall be entirely relinquished upon termination of the renewal period, except for the area or areas of the permit which are covered by one or several exploitation permits, if any;

(d) Areas of the permit that the Operating Committee of the Joint Venture described above has determined, before the effective date of the relinquishments or the expiration of the renewal period, to cover commercial reservoirs shall be excluded from areas relinquished by the permit holder upon termination of Phase I and Phase II of the first period and upon termination of the renewal period.

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EXHIBIT II

The base of calculation of the royalty and corporate income tax shall be the market value of the LIQUID HYDROCARBONS sold.

For the purpose of the royalty, the market value of the LIQUID HYDROCARBONS shall be deemed equal to the FOB Congo reference market value based on Middle East sales calculated as described below.

For the purpose of the corporate income tax, the market value of the LIQUID HYDROCARBONS shall be the realized sales price, provided however that in the case of sales to affiliated purchasers, the sales price shall not be lower than the weighted average realized sales price of the selling COMPANY from third party purchasers for the same period of reasonable quantities of LIQUID HYDROCARBONS of similar quality and gravity, or in the absence of such sales of reasonable quantities to third parties, the sales price shall not be lower than a price equal to the competitive value for the same period of LIQUID HYDROCARBONS of similar quality and gravity.

Calculation of the FOB

Congo Reference Market Value

The FOB Congo reference market value shall be computed by reference to the government sales price for Arab Light crude oil for the applicable period adjusted for freight, gravity, sulfur and other quality differentials.

Definitions

1. "Arab Light" means the crude oil produced in Saudi Arabia and sold at Ras Tanura, of API gravity 34 degrees.
2. "Berri" means the crude oil produced in Saudi Arabia and sold at Ras Tanura of API gravity 39 degrees.
3. "Government Sales Price" ("GSP") means the official state sales price of the Government of Saudi Arabia for the sale of Arab Light or Berri.
4. "AFRA VLCC" and "AFRA LR2" mean the freight costs as determined by the London Tanker Brokers Panel or by any

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EXHIBIT II

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4. "AFRA VLCC" and "AFRA LR2" mean the freight costs as determined by the London Tanker Brokers Panel or by any

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other organization substituted therefor, for shipment in very large crude carriers and large range two tankers, respectively.

5. "SPOT VLCC" and "SPOT LR2" mean the freight costs calculated from the Average Worldscale Rates for Single Voyage Dirty Fixture published monthly by H.P. Drewry Ltd., London, in their Shipping Statistics and Economics - SSE Publication and would be a weighted average of Fixtures in the 70,000 - 174,999 Cargo Size DWCT for "SPOT LR2" and 175,000 - 300,000 for "SPOT VLCC", respectively. For the purpose of 2. and 3. hereof, the respective "SPOT VLCC" and "SPOT LR2" freights costs shall be based on the rates published for the month in which LIQUID HYDROCARBONS are lifted.

The FOB Congo reference market value shall be determined as follows:

1. Take the GSP of one barrel of Arab Light crude oil of 34.00 - 34.09 degrees gravity.
2. Determine the freight per barrel of transporting Arab Light from Ras Tanura to Rotterdam via The Cape and returning from Rotterdam to Ras Tanura via The Cape by dividing the average of the published "AFRA VLCC" and "SPOT VLCC" freight per ton by the number of barrels of such crude oil per ton.
3. Determine the freight per barrel of transporting LIQUID HYDROCARBONS from Pointe Noire, Congo, to Rotterdam by dividing the average of the published "AFRA LR2" and "SPOT LR2" freight per ton by the number of barrels of such crude oil per ton. Subtract the resulting freight cost from the freight cost determined under 2 above and add the result to the GSP under 1 above.

The amount determined in accordance with the above procedure shall be adjusted upward or downward pursuant to the following quality factors which shall be computed as follows:

1. Gravity factor:

The differential for gravity will be determined as follows:

- (a) Use 34 degrees API gravity for Arab Light.
- (b) Deduct said gravity from the stated gravity of the LIQUID HYDROCARBONS. Any positive result will be added to the FOB Congo reference market value; any negative result will be subtracted from the FOB Congo reference market value.

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- (c) Multiply said (b) remainder by ten and obtain a product.
- (d) Multiply the product (c) by the Arab Light quoted value for gravity differential per 0.1 (one tenth) API; the result will be the gravity adjustment.

2. Sulfur factor:

(a) Arab Light and Berri

- (i) Determine the difference in GSP between Arab Light and Berri.
 - (ii) Determine the amount of (i) difference attributable to gravity by subtracting from such difference the product of the number of 1/10 degrees gravity between the two grades times the gravity differential value per 0.1 (one-tenth) degree API for the two grades.
 - (iii) Deduct the product (ii) from the difference per (i).
 - (iv) Divide the remainder per (iii) by the differential number of 0.1 (one-tenth) weight percent sulfur (SWT%) between the two grades. Use 1.8 SWT% for Arab Light and 1.1 SWT% for Berri until revised by mutual agreement.
- (b) Obtain the Congo sulfur adjustment by multiplying the difference in number of 0.1 SWT% between the LIQUID HYDROCARBONS sulfur content and the average of the Arab Light and Berri sulfur content by U.S. cents per 0.1 SWT% determined as set forth in sub-paragraph (a) (iv) above.

Such adjustment will increase the FOB Congo reference market value if Congo sulfur is less than said average, and reduce the FOB Congo reference market value if Congo sulfur exceeds said average.

3. Other quality factors:

- (a) Should the heavy gas oil distilled from LIQUID HYDROCARBONS (meaning that product distilled between the range of the 500 to 960 degrees Fahrenheit cut pursuant to the American Society for Testing Metals -- or any organization substituted therefor -- distillation procedure) exceed 0.5 Neutralization number (Neutralization number means the number of

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milligrams of potassium hydroxide required to neutralize the acid contained in one (1) gram of the heavy gas oil), or

- (b) Should the heavy gas oil extracted from LIQUID HYDROCARBONS as defined in (a) above, contain over 0.24 parts per million of nickel and copper, or nickel equivalent (calculated by addition of the parts per million of vanadium divided by 4.3, plus parts per million of nickel and copper), or
- (c) Should any currently unknown quality factors of the LIQUID HYDROCARBONS appear,

the Parties hereto shall meet to agree on an equitable adjustment of the FOB Congo reference market value determined pursuant to the foregoing, to the extent those characteristics are of significance.

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Office or other furniture
Telephone

2.

10.0%
15.0%

LOADING AND STORAGE INSTALLATIONS

Annex III (Exhibit III)

Depreciation rates applicable to the COMPANIES

<u>Type of investments to be amortized</u>	<u>annual rate</u>
<u>subsurface and drilling works</u>	
non-producing wells	50 %
producing wells: in function with the estimated duration of production. If no estimate	12.5%
<u>Transportation Equipment</u>	
interior pipelines	10 %
exterior pipelines	7.5%
<u>Drilling Equipment (in general)</u>	10 %
drilling pipe	20 %
drilling tools	20 %
diesel engines	20 %
derrick and drive machinery	20 %
<u>Intangible Costs</u>	
G + G	20 %
<u>Constructions</u>	
permanent buildings, offices, labs, garages, housing, etc	10%
metallic-sided buildings	10%
semi-portable constructions without foundation	10 %
portable cabins or other assembled field buildings	10 %
interior workshop facilities	10 %

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Office or other furniture	10.0%
Telephone	15.0%

LOADING AND STORAGE INSTALLATIONS

Storage installations	10.0%
Except pipe and tube yards	20.0%
Loading pier	3.1/3%
Loading installations	10.0%
Floating pipelines	20.0%

VEHICLES AND ACCESS ROADS

Civil engineering machines	30.0%
Automotive vehicles and their trailers	33.0%
Except fire trucks, workshop trucks, cementing trucks	20.0%

RIVER TRANSPORTS

Pinnaces (lighters)	15.0%
Tugboats, pusher-type tugs, tank-barges, barges	10.0%
Access roads to geophysical works and unproductive wells	50.0%
Access roads to productive wells	20.0%

OTHER FIXED ASSETS

Water system	10.0%
Compressed air system	10.0%
Electricity system	10.0%

POWER LINES

Pylons	3.1/3%
Other elements	5.0%

TRANSFORMERS

Buildings and fixed plant	5.0%
Portable plant	10.0%

FIXED MACHINES

Compressors	10.0%
Compressors at sea	20.0%
Miscellaneous motors and pumps on land	10.0%
Miscellaneous motors and pumps at sea	20.0%
Machine tools on land	10.0%
Machine tools at sea	20.0%
Small tools	15.0%
Fixed laboratory equipment	10.0%

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Mobile laboratory equipment	20.0%
Topography equipment	10.0%
Sea camp equipment	50.0%
Land camp equipment	20.0%

SPECIFIC OFFSHORE EQUIPMENT

Drilling barges	20.0%
Drilling and production platforms	15.0%
Offshore well equipment	20.0%
Underwater energy transport cables	20.0%
Mooring buoys	25.0%
On-platform equipment	20.0%
Underwater wellheads and wellhead supports	20.0%
Gathering lines between wells and storage stations	20.0%
Main lines	10.0%
Underwater loading lines	20.0%

Costs and expenses accumulated by the COMPANIES in connection with EXPLORATION WORKS will be treated in the following fashion: those of such costs and expenses which relate to the creation of capitalized assets shall be amortized, beginning in the first fiscal year showing a taxable income, in accordance with the depreciation rates set forth above. The other costs and expenses shall constitute "frais de premier établissement" (costs of initial installation), which may as such be amortized, at each COMPANY's option, without time limit.

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EXHIBIT IV

I - PAYMENT OF ROYALTY

When the mining royalty is paid in cash, each COMPANY shall, at the latest on the 20th of each month, file a monthly declaration of HYDROCARBONS lifted by it during the preceding calendar month.

Eighty-five percent (85%) of the royalty due for such preceding month of each quarter shall be paid at the time the corresponding monthly declaration is filed. The balance of the royalty due for each quarter shall be calculated and paid at the same time as the monthly declaration made during the second month following the end of the said quarter.

II- PAYMENT OF CORPORATE TAX

Each COMPANY will make prepayment of corporate taxes as follows:

(a) During the course of the first quarter, each COMPANY will estimate the tax it will owe for the current year.

(b) An amount equal to 8/120th of such estimate will be paid on or before the 20th of each of the months of April, May, June, July, August and September.

(c) During the course of the third quarter, each COMPANY will review, on the basis of the actual results of the first semester, the estimate made by it of the annual tax.

(d) An amount corresponding to 8/120th of the new estimate shall be paid at the latest on or before the 20th of each of the months of October, November, December, as well as January, February and March of the following year, the payment for the month of October being however adjusted in such a way that the total amount of the provisional payments paid on October 20, correspond to 56/120th of the new estimate.

(e) The balance of the corporate tax shall be paid at the time of filing of the annual declaration, and taxes paid in excess, if any, shall be treated in accordance with Article 126 of the Code Général des Impôts du Congo.

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EXHIBIT V

MODEL OF LETTER OF GUARANTEE

GUARANTEE

WHEREAS the People's Republic of the Congo (hereinafter referred to as the "CONGO"), Congolese Superior Oil Company, Cities Service Congo Petroleum Corporation, Canadian Superior Oil Ltd., and Société Nationale de Recherches et d'Exploitation Pétrolières -- "HYDRO-CONGO" entered into a Convention dated the 25th day of May 1979, for the exploration and exploitation of liquid and gaseous hydrocarbon resources offshore the CONGO (hereinafter referred to as the "CONVENTION"),

and

WHEREAS /Name of the parent company/ (hereinafter referred to as the "PARENT COMPANY") as owner, directly or indirectly, of all of the shares representing the capital stock of /name of the affiliated company/ (hereinafter referred to as the "AFFILIATED COMPANY") desires to assure the CONGO of the performance of the obligations of the AFFILIATED COMPANY under the CONVENTION.

ACCORDINGLY,

The PARENT COMPANY hereby agrees and undertakes to provide or cause to be provided to its AFFILIATED COMPANY the funds necessary for it to comply with its obligations under the CONVENTION.

Executed at _____, on _____ 1979

(Name of PARENT COMPANY)

By: _____
(Title)

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[Signature]

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and

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ACCORDINGLY,

The PARENT COMPANY hereby agrees and undertakes to provide or cause to be provided to its AFFILIATED COMPANY the funds necessary for it to comply with its obligations under the CONVENTION.

Executed at _____, on _____ 1979

(Name of PARENT COMPANY)

By: _____
(Title)

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[Signature]

GAR 00103

A P P E N D I X

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TRANSMISSION

(Letterhead of Congolese Superior Oil Company)

Minister of Finances
Ministry of Finances
Kinshasa

Houston, May 17, 1977

Minister:

Our company, together with Cities Service Congo Petroleum Corporation and Canadian Superior Oil Ltd. are signing on May 26, 1977, with the People's Republic of the Congo, represented by its Minister of Mining and Energy, a Convention relating to hydrocarbon exploration and exploitation on the permit known as "Kavine 1". In this regard, we would like to request clarification with respect to the following questions:

1. The works relating to the working of this permit will be necessary for us, as Operator for the Joint Venture, as well as to a lesser extent for the other non-Congolese members of the Joint Venture, to send to the Congo specialized personnel for periods which will be limited, but may extend over several years.

(a) The expatriate personnel may bring with them household items, private cars and household furnishings for their personal use during their stay in the Congo. Can such goods be imported, and re-exported at the end of their stay, free of customs duties and taxes?

(b) The transfer to the Congo may entail for such personnel additional costs which are a direct consequence of such transfer: change of two residences, special education expenses for their children, and, in the absence of a tax treaty between the People's Republic of the Congo and the United States of America, double taxation on income. It will probably be necessary for us to pay such personnel an indemnity intended to cover these additional costs. Will this indemnity be subject to Congolese personal income tax, in addition to the tax payable on their salary after deduction of the 30% deduction for professional expenses?

2. Should the Joint Venture, for reasons of Force Majeure, discontinue the exploitation for an appreciable length of time, would income tax payments, if any, be reimbursable?

3. With respect to the costs and expenses accumulated during the exploration phase, we understand that the Congolese tax authorities will result in treating such costs and expenses in the following manner: those of such costs and expenses which relate to the

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The Minister of Finance

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May 17, 1975

erection of capitalized assets shall be amortized, beginning in the first fiscal year showing a taxable income, in accordance with the depreciation rates attached as an exhibit to the aforementioned Convention. The other costs and expenses shall constitute "finis de premier établissement" (costs of initial installation), which may as such be amortized, at the taxpayer's option, without time limit. We would be grateful if you could confirm that this would be the case.

Very truly yours,

(s) Diego O. Giordano

Diego O. Giordano
Vice-President

GAR 00106

(Letterhead of the Ministry of Finance)

Brazzaville, May 25, 1972

Colene Superior Oil Company
2 Floor
1st City National Bank Building
Houston, Texas

Sir:

In reply to your letter of May 17, 1972, we are pleased to let you know the following:

1.(a) Household furniture, furnishings and materials may be imported and re-exported free of customs duties and taxes, whatever the length of the stay, so long as their use is limited to personal use by the expatriate personnel. Private cars can be imported free of duties and taxes only for a period of six months.

1.(b) Since the indemnities described in your letter are a reimbursement of exceptional costs naturally incurred, differing from the professional expenses that the standard deduction is intended to cover, they shall not be included in the taxable income of the employees in question, subject of course to the furnishing of proper justification.

2. The discontinuation of exploitation in the circumstances described in your letter can be interpreted as a discontinuation of activities, with corresponding application of the provisions of Article 11 bis (4) of the General Tax Code.

3. We confirm to you that your description of the accumulation of costs and expenses accumulated during the exploration phase is accurate. This matter is indeed covered in identical terms by the last sub-paragraph of Exhibit III to the Convention that your company and Citicor Service Congo Pétroleux Company and Canadian Superior Oil Ltd. are signing today with the People's Republic of Congo and Hydro-Congo.

Very truly yours,

Minister of Finance

GAR 00107

REPUBLIQUE POPULAIRE DU CONGO
Travail • Démocratie • Progrès

LOI N° 60/83 DU 11/8/1983
Complétant la loi n°17/83 du
27/01/83 portant approbation des
Accords particuliers signés le
11 Décembre 1981 pour le Permis
"MARINE 1" respectivement avec
B.P.A.S.P.E.T.R.O. et I.E.D.C. (Congo)
Ltd.--

L'ASSEMBLEE NATIONALE POPULAIRE A DELIBERE ET ADOPTE :

LE PRESIDENT DU COMITE CENTRAL DU PARTI CONGOLAIS DU
TRAVAIL, PRESIDENT DE LA REPUBLIQUE, CHEF DE L'ETAT,
PRESIDENT DU CONSEIL DES MINISTRES, PROMULQUE LA LOI
DONT LE TEXTE SUIT :

ARTICLE 1ER. - L'article 1er de la loi n°17/83 du 27/01/83
portant approbation des accords particuliers signés le
11 Décembre 1981 pour l'exploitation du Permis Marine 1
est complété comme suit :

après : sont approuvés les accords ci-après signés le
11 Décembre 1981 pour l'exploitation du Permis Marine 1 :

ajouter : Avenant n°1 A LA CONVENTION DU 25 MAI 1979

Le reste sans changement.

ARTICLE 2. - La présente loi sera publiée au Journal Offi-
ciel de la République Populaire du Congo et exécutée comme
loi de l'Etat./-

Fait à Brazzaville, le 11 AOUT 1983

GAR 00108

COLONEL Denis SASSOU - NGUESSO.-

(Free) Translation

PEOPLE'S REPUBLIC OF THE CONGO

Work - Democracy - Peace

Law No. 60/83 of August 11, 1983
completing Law No. 17/83 of
January 27, 1983 approving
the Accords particuliers signed
December 11, 1981 re
"the Marine I Permit" with
BRASPETRO & I.E.D.C. (Congo)
Ltd.

The People's National Assembly has deliberated and adopted;

The President of the Central Committee and
The Congolese Worker's Party, President of
the Republic, Chief of State, President of
the Council of Ministres, promulgates the
Law the text of which follows:

Article 1 Article 1 of Law No. 17/83 of January 27, 1983 approving the
Accords particuliers signed December 11, 1981 for the exploitation of the
Marine I Permit is completed as follows:

After "have approved the accords below signed December 11, 1981
for the exploitation of the Marine I Permit"

Add: "Amendment No. 1 to the Convention of May 25, 1979."

The remainder is unchanged.

Article 2 This Law will be published in the Official Journal of the
People's Republic and executed as a law of the State.

Made in Brazzaville, August 11, 1983

COLONEL Denis SASSOU - NGUESSO

GAR 00109

ENGLISH TRANSLATION

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AMENDMENT N° 1
TO THE MAY 25, 1979
"MACHINE 1" CONVENTION

December 11, 1981

GAR 00110